

**LITTLE HOOVER COMMISSION  
GOVERNOR'S REORGANIZATION PLAN NO. 1 OF 2002**

**Written Testimony  
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The California Workforce Investment Board (State Board) appreciates the opportunity to provide comments to the Commission regarding the Governor's proposal to create a new Labor and Workforce Development Agency (Agency) in State government. It is generally acknowledged that California's economic stability and growth, as well as its competitiveness in the global economy, have become increasingly more dependent upon developing and maintaining a skilled and educated workforce.

**Improving Services**

The new Agency, as proposed, would combine the State Board and the EDD with the Department of Industrial Relations (DIR) and the Agricultural Labor Relations Board (ALRB). Collectively, the programs and services directed and/or administered by these four entities exceed \$7 billion annually in budget, with hundreds of service delivery points around the State. The EDD, the DIR, and the ALRB, provide programs and services that represent California's core employment, economic development, and mainstream job training services.

Among them are the publicly-funded labor exchange, mainstream job training for adults, youth development and apprenticeship programs, worker protection programs, and labor statistics and labor market information programs. The State Board oversees the workforce development system and makes collaborative policy recommendations to the Governor that help California meet the challenges and changes in the new economy.

The State Board believes that combining these four entities in a single agency will help California accomplish four main objectives. They are:

*1. Coordination*

Common leadership and direction will allow the EDD, the DIR, and the ALRB to better coordinate their respective oversight and enforcement activities as well as better coordinating and managing the collection, publication, and use of data on the workforce and the economy. This reorganization also aligns California's core employment and training programs, which serve both citizens and business, with worker protection and enforcement programs. The alignment of these programs and functions will allow for improved collaborative research and development to better connect these activities to the needs of California's citizens and business. The inclusion of the State Board will provide the strategic planning, collaboration, and policy direction necessary to strengthen and coordinate California's overall workforce development system so that it achieves the goals the Governor and the State Board have established.

*2. Access*

Partner programs and services offered by the EDD, the DIR, and the ALRB that are not currently available through the One-Stop system could more easily be made available. As an example, the Agency could strengthen the connections between the One-Stop system and California's

apprenticeship programs. Placing the proposed entities and programs within the same Agency, along with the State Board, will result in greater and more effective collaboration, not only between these programs, but with other workforce programs that remain outside the Agency.

### 3. *Efficiency*

The Governor's proposal provides a framework for making the workforce development system more efficient and more responsive to economic development and growth opportunities. Employers consistently cite the need for a well-trained workforce as a primary factor in business success and expansion. Combining the State Board's and the EDD's roles in employment and training with the functional roles of the DIR in establishing standards that govern wages and working conditions in the State, centralizes authority over California's workforce under a single entity that can be more responsive to the workforce needs of industry.

### 4. *Accountability*

The State Board oversees the continuing development of California's PBA system, which was established to measure common performance across an array of workforce development programs. The PBA system produces cost effective, objective information at the State and local levels and assists policymakers, service providers, and both citizens and business in program improvement and decision-making. The ability to measure workforce program performance in the context of the new expectations for workforce "investment" systems is an essential element to improving the State's overall workforce development system.

## **Conclusion**

The State Board fully supports the Governor's initiative to form the new Labor and Workforce Development Agency, and fully supports the inclusion of the State Board and WIA systems and programs in the new Agency as well. The State Board's vision, developed collaboratively in 2000, is:

*"In order to achieve sustainable economic growth, meet the demands of global competition in the modern economy, and improve the quality of life for all Californians, California shall have a comprehensive workforce development system of education and workforce preparation linked to economic development that sets the standards for the nation and the world."*

Achieving that vision relies, in part, on achieving better coordination of workforce programs, providing easier access to a broader array of programs, and increasing both the efficiency and the accountability of the system. The State Board sees the formation of the Labor and Workforce Development Agency as an important step in that process.